

WILLIAM K. HARRINGTON  
United States Trustee  
U.S. Department of Justice  
Office of the United States Trustee  
201 Varick Street, Room 1006  
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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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*In re* : Chapter 11  
:   
CELSIUS NETWORK LLC., *et al.*<sup>1</sup> : Case No. 22-10964 (MG)  
:   
Debtors. : (Jointly Administered)  
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**STATEMENT OF THE UNITED STATES TRUSTEE**

William K. Harrington, United States Trustee for Region 2 (the “United States Trustee”), through his counsel, files this Statement (the “Statement”), consistent with the Court’s directive at the October 20, 2022 Hearing (the “Hearing”) in response to (1) the motion (the “Sealing Motion”) of Community First Partners, LLC, Celsius SPV Investors, LP, Celsius New SPV Investors, LP, and CDP Investissements Inc. (the “Equity Holders”) for the entry of an order authorizing the Filing of Certain Information Under Seal in Connection with the Reply in Further Support of the Requesting Holders’ Motion for Entry of an Order Directing the Appointment of an Official Preferred Equity Committee [ECF Doc. 1118] and (2) Declaration of Amir Ayalon in Support of the Request to File Certain Investor Presentations under Seal (the “Debtors Declaration”) [ECF Doc. 1156].

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, New Jersey 07030.

The Equity Holders seek to file certain documents in support of their motion authorizing an order to appoint an equity committee (the “Equity Committee Motion”) under seal. The Sealing Motion should be denied because the requested documents are not confidential and commercial. Movants must demonstrate extraordinary circumstances and a compelling need to obtain protection to justify filing documents under seal – a standard which simply has not been met in this case. *See In re Motors Liquidation Co.*, 561 B.R. 36, 41 (Bankr. S.D.N.Y. 2016); *In re Borders Grp., Inc.*, 462 B.R. 42, 46 (Bankr. S.D.N.Y. 2011); *In re Food Mgmt. Grp., LLC*, 359 B.R. 543, 553-55 (Bankr. S.D.N.Y. 2007).

The Court asked the Debtors to advise the Court as to whether the documents that the Equity Holders had received from their constituents were provided to their constituents by the Debtors with the clear understanding that those documents were to be treated as a confidential communication. The Debtors Declaration states that “to the best of my knowledge only potential investors subject to confidentiality agreements were able to access the documents.” Debtors Declaration at ¶ 6. Guesses as to the manner in which certain persons may have obtained documents from undisclosed persons employed by the Debtors do not meet the heavy burden of proof that must be made before a document may be sealed or redacted in accordance with Section 107 of the Bankruptcy Code. Nonetheless, in light of footnote 1 in the *Memorandum Opinion and Order Denying Motion for the Appointment of an Official Preferred Equity Committee* (ECF Doc. No. 1166), no further action is needed at this time.

Dated: New York, New York

October 24, 2022

WILLIAM K. HARRINGTON  
UNITED STATES TRUSTEE

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